

# **FISCAL NOTE**

## **SB 986 - HB 1737**

March 10, 2001

**SUMMARY OF BILL:** Authorizes in-state tuition to the University of Memphis to residents of Crittenden, Arkansas, and residents of the counties of DeSoto, Marshall, and Tate, Mississippi.

### **ESTIMATED FISCAL IMPACT:**

#### **Increase State Expenditures - \$1,797,496**

Estimate assumes:

- Since the funding formula calculation recognizes out-of-state tuition as a funding source, when out-of-state revenue decreases, the state's share of the formula costs increases. Assumes lost revenues will be replaced with state funds.
- Approximately 380 new students from these out-of-state counties will be admitted to the University of Memphis at in-state rates.
- For each out-of-state student who is enrolled full-time (236), revenues would be decreased by \$5,786 per academic year.
- For part-time students (144), revenues would be decreased by \$250 per credit hour or \$750 for a typical 3-hour course.
- The current ratio of part-time and full-time students is 62% full-time and 35% part-time ( part-time students take 2 courses each semester or 4 courses per year).

Estimated Part-time students:  $144 \times \$750 \times 4 \text{ courses} = \$ 432,000$

Estimated Full-time students:  $236 \times \$5,786 = \$1,365,496$

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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